

Fiscal Services Division Legislative Services Agency Fiscal Note

SF 2106 - Small Claims Court (LSB 5481 SV)

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Fiscal Note Version — New

Requested by Senator David Miller

Description

Senate File 2106 increases the jurisdictional limit in small claims cases and establishes a filing fee of \$50 for cases under \$5,000 filed in Small Claims Court and a filing fee of \$100 for cases ranging from \$5,001 to \$8,000 filed in Small Claims Court.

Assumptions

1. Senate File 2106 will take effect July 1, 2005.
2. Requires a report by the Supreme Court on or before January 1, 2005, regarding the impact of jurisdictional changes in Small Claims Court and the need for procedural safeguards. The report will contain a recommendation for an expedited process for processing civil litigation claims. The cost of the report will be absorbed by the Judicial Department.
3. There would be a one-time Iowa Court Information System (ICIS) programming expense to the Judicial Branch of \$5,000.
4. Under current law, the filing fee for a small claims case is \$50, the filing fee for a small claims case appeal is \$75, and the filing fee for a civil case is \$100.
5. In calendar year 2002, there were 89,171 small claims case filings. From 1992 to 2002, small claims case filings increased by 32.0%.
6. In calendar year 2002, there were 75,615 civil case filings. From 1992 to 2002, civil case filings increased by 19.3%.
7. The small claims jurisdictional amounts were raised in increments of \$1,000 in 1994, 1995, and in 2002.
8. In 1994, civil case filings decreased 2.0% while small claims filings increased 8.0%; in 1995, civil case filings decreased 5.0% while small claims filings increased 2.0%; but in 2002, civil case filings rose 3.0% and small claims filings decreased by 0.2%.
9. Currently, the average court time devoted to small claims cases is 26 minutes per case. Under the Bill, the jurisdictional amount of small claims cases is increased from \$5,000 to \$8,000, which could result in more complex cases requiring additional court time. The court time devoted for new small claims cases would increase from 26 minutes to 42.
10. A trial would occur in 42.0% of the new cases. District Court Judges would hear half of the new cases and the remaining cases would be split between District Associate Judges and Magistrates. The remaining 58.0% of the new cases would be defaults handled by the clerk of court.
11. A 5.0% increase in new small claims cases (4,460 new cases) will result due to the increase in the jurisdictional amount. Small claims cases do not require a lawyer. The Bill may result in additional small claims cases being filed that under current law may not be filed.
12. The de novo review of cases over \$5,000 may increase appeals by 380 cases.
13. By increasing the small claims jurisdiction, civil case filings may decrease as small claims filings increase. If this occurred under the two-tiered filing fee, the revenue would remain the same as current law and the cost to the Judicial Branch may be less than \$200,000 due to small claims cases costing less than civil cases.

Fiscal Impact

Senate File 2106 is expected to increase Judicial Branch expenditures by approximately \$200,000 annually. The estimate includes a one-time programming expense of \$5,000. The Bill also is expected to increase General Fund revenues from filing fees ranging from \$250,000 to \$500,000 annually. Due to the enactment date of this Bill, revenues and expenditures will not be realized until FY 2006.

Source

Judicial Branch

Dennis C Prouty

February 19, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
